

**GRANT AND IMPLEMENTATION AGREEMENT
FOR COMPACT DEVELOPMENT
BY AND BETWEEN
THE MILLENNIUM CHALLENGE CORPORATION
AND
THE GOVERNMENT OF BURKINA FASO**

Dated as of November 22, 2007

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GRANT AND IMPLEMENTATION AGREEMENT

This GRANT AND IMPLEMENTATION AGREEMENT (this “*Agreement*”), dated as of November 22, 2007, is made between the Government of Burkina Faso (the “*Government*”) and the Millennium Challenge Corporation, a United States Government corporation (“*MCC*” and, collectively with the Government, the “*Parties*” and each, individually, a “*Party*”).

RECITALS

WHEREAS, the Board of Directors of MCC has selected Burkina Faso as eligible to present to MCC a proposal for assistance from the Millennium Challenge Account (the “*MCA*”) to advance economic growth and poverty reduction in Burkina Faso;

WHEREAS, the Government submitted a proposal on October 24, 2006 (the “*Proposal*”), which requests MCA assistance for, among other things, (i) fostering improved land use by securing land tenure (the “*Land Tenure Project*”), (ii) fostering improved agricultural productivity by developing and managing land for irrigated agriculture, livestock and fisheries production (the “*Agricultural Development Project*”) and (iii) enhancing market competitiveness through investments in the road network (the “*Road Project*”);

WHEREAS, the Parties wish to facilitate the development and implementation of a proposed Millennium Challenge Compact between the Government of the United States of America, acting through MCC, and the Government (the “*Proposed Compact*”) to help advance economic growth and poverty reduction in Burkina Faso;

WHEREAS, to expedite the development and implementation of the Proposed Compact, the Government intends to (i) establish a fund attached to the office of the Prime Minister, to be called “*MCA-Burkina Faso*”, empowered to implement some or all of the Government’s obligations under this Agreement and the Proposed Compact, and (ii) engage a Fiscal Agent and a Procurement Agent to assist with preliminary work necessary to implement the Proposed Compact, at the earliest opportunity;

WHEREAS, MCC wishes to make a grant to the Government to support certain activities described herein, including the recruitment and compensation of MCA-Burkina Faso key staff, the mobilization of the fiscal and procurement agents and certain project preparation activities, in an amount not to exceed nine million four hundred thirty thousand U.S. Dollars (US \$9,430,000) under the authority of Section 609(g) of the Millennium Challenge Act of 2003 (the “*Act*”), which activities will facilitate the development and implementation of the Proposed Compact; and

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein, the Parties agree as follows:

ARTICLE I

OBJECTIVE AND ACTIVITIES

Section 1.1 Objective and Activities.

(a) The objective of this Agreement is to facilitate, through a grant of assistance from MCC, the development and implementation of the Proposed Compact.

(b) The Government will use the assistance provided under this Agreement to support the activities related to the Proposed Compact described in more detail in Annex I (each, an “**Activity**” and, collectively, the “**Activities**”):

(c) The Government will promptly take all necessary or appropriate actions to ensure (i) performance of the Activities in accordance with this Agreement and (ii) compliance with all of its obligations under this Agreement; *provided, however*, the Government may designate its rights and responsibilities to certain entities to implement the Activities and exercise its rights hereunder on its behalf as specified in Section 3.2(b).

Section 1.2 Effective Date. This Agreement will become effective on and as of the date of the completion of the following conditions (the “**Effective Date**”): (a) the execution of this Agreement by the Parties and (b) the completion of all domestic requirements under the laws of Burkina Faso.

ARTICLE II

MCC GRANT

Section 2.1 MCC Grant.

(a) MCC hereby grants to the Government, under the terms of this Agreement, an amount not to exceed nine million four hundred thirty thousand U.S. Dollars (US \$9,430,000) (the “**Grant**”) to fund the Activities. The Grant proceeds will be disbursed from time to time in accordance with Article IV of this Agreement, including any conditions to disbursement for each Activity contained herein.

(b) Subject to Sections 2.1(c) and 7.2(b), the Grant proceeds will be allocated among the Activities as generally described in Annex II (the “**609(g) Grant Financial Plan**”) or as otherwise agreed in writing by the Parties.

(c) MCC may, in its sole discretion, reduce the Grant by an amount equal to the amount attributable to any violation of, or failure to satisfy a condition to disbursement specified in, this Agreement and such amount will be automatically released from any obligation in connection with this Agreement.

ARTICLE III

GOVERNMENT ASSURANCES AND RESPONSIBILITIES

Section 3.1 Government Representations and Warranties. The Government hereby represents and warrants to MCC that:

(a) Power; Authorization. The Government has, and each Permitted Designee will have, the power and authority to execute, deliver and perform, on behalf of the Government, this Agreement and the obligations of the Government hereunder, and under each other agreement, certificate, or instrument contemplated hereby, as applicable, and none of such actions violate or will violate any other obligation of the Government or any Permitted Designee, as applicable.

(b) Binding Obligation. This Agreement is a valid, binding and legally enforceable obligation of the Government.

(c) No Conflict. This Agreement does not, and will not, conflict with any international agreement or obligation binding on the Government or any of the laws of Burkina Faso.

(d) Information. As of the Effective Date, the information provided to MCC by or on behalf of the Government in connection with this Agreement, taken as a whole, is true, correct and complete in all material respects.

(e) No Payments From Other Sources. The Government affirms that no payments have been, or will be, received by any official of the Government in connection with the procurement of goods or services paid for, in whole or in part, with proceeds of the Grant.

Section 3.2 Government Responsibilities and Covenants.

(a) Principal Responsibility. The Government has the principal responsibility of overseeing and managing the implementation of the Activities.

(b) Permitted Designee. The Government may designate an entity to implement some or all of the Government's obligations or to exercise any rights of the Government under this Agreement (each such entity, a "***Permitted Designee***"); *provided that* such a designation will not relieve the Government of any designated obligations and rights, for which the Government will retain full responsibility. With respect to each Permitted Designee, the Government will promptly take all necessary or appropriate actions to enable such Permitted Designee to carry out the Government's obligations or exercise rights of the Government hereunder, as applicable.

(c) No Violation of Law. The Government will ensure that no law or regulation of Burkina Faso now or hereinafter in effect makes, or will make, unlawful or otherwise prevent or hinder the performance of any of its obligations under this Agreement, any Supplemental Agreement or any transaction contemplated hereby.

(d) Impoundment; Liens or Encumbrances. The Government will ensure that (i) neither the Grant nor any asset acquired with Grant proceeds will be subject to any impoundment, rescission, sequestration or to any provision of law now or hereafter in effect in Burkina Faso that would have the effect of allowing any such impoundment, rescission or sequestration, and (ii) neither the Grant nor any asset acquired with Grant proceeds will be subject to any lien, attachment, enforcement of judgment, pledge, or encumbrance of any kind (each a “*Lien*”), except with MCC’s prior written approval. In the event any Lien not so approved is imposed, the Government will promptly seek the release of such Lien and, if such Lien is required by a final non-appealable court order, will pay any amounts due in order to obtain such release; provided, however, that the Government must apply national funds and will not apply Grant proceeds or any other funds received from MCC (or assets acquired with Grant proceeds or other funds provided by MCC) to satisfy any such obligation.

(e) Insurance; Performance Guaranties. The Government will ensure, to MCC’s satisfaction, that all assets acquired with Grant proceeds are insured and will arrange such other appropriate insurance to cover against risks or liabilities associated with the Activities and the transactions contemplated thereby, including by requiring Service Providers to obtain adequate insurance and to post adequate performance bonds or other guaranties. The Government or the Permitted Designee, as applicable, will be named as the payee on any such insurance and the beneficiary of any such guaranty or bonds. If not already named as an insured party, the applicable Permitted Designee and MCC (if it so requests) will be named as additional insureds on any such insurance. The Government will ensure that any proceeds from claims paid under such insurance or guaranty will be used to replace or repair any lost or damaged assets acquired with Grant proceeds; *provided, however*, that, at MCC’s election, such proceeds will be deposited in an account as designated by or as otherwise directed by MCC.

(f) Autonomy. The Government will ensure that (i) no decision of any Permitted Designee is modified, supplemented, unduly influenced or rescinded by any governmental authority, except by a non-appealable judicial decision, and (ii) the authority of a Permitted Designee will not be expanded, restricted, or otherwise modified, except in accordance with this Agreement or as approved by MCC.

(g) Further Assurances. The Government will promptly do and perform such other and further acts, and take all necessary and appropriate actions, including using its best efforts to obtain all necessary approvals and consents, (i) to bring into effect this Agreement and (ii) to otherwise effectively carry out the obligations of the Government set forth in this Agreement.

(h) Indemnification. The Government will indemnify and hold MCC and any MCC officer, director, employee, affiliate, contractor, agent or representative (each of MCC and any such persons, an “*MCC Indemnified Party*”) harmless from and against, and will compensate, reimburse and pay such MCC Indemnified Party for, any liability or other damages which (i) are (directly or indirectly) suffered or incurred by such MCC Indemnified Party, or to which any MCC Indemnified Party may otherwise become subject, regardless of whether or not such damages relate to any third-party claim, and (ii) arise from or as a result of the negligence or willful misconduct of the Government, any Permitted Designee, or any officer, employee, affiliate, contractor, agent or representative of the Government (directly or indirectly) connected

with, any activities (including acts or omissions) undertaken in furtherance of this Agreement; *provided, however*, that the Government will apply national funds to satisfy its obligations under this Section 3.2(h) and will not apply any portion of the Grant proceeds or any other funds received from MCC (or assets acquired with Grant proceeds or other funds provided by MCC) to satisfy any of its obligations under this Section 3.2(h).

(i) Performance Liabilities. To the extent the Government is held liable for any obligation under any indemnification or other provision of any agreement between the Government, on the one hand, and any Service Provider or other third party, on the other hand, the Government will pay in full any such obligation; *provided, however*, that the Government will apply national funds to satisfy any obligation under this Section 3.2(i) and will not apply Grant proceeds or any other funds received from MCC (or assets acquired with Grant proceeds or other funds provided by MCC) to satisfy any obligation under this Section 3.2(i).

(j) Government Resources.

(i) The Government will provide funds and other resources, and will take all actions, with respect to the Activities as described in Annex I.

(ii) Unless the Government discloses otherwise to MCC in writing, the Grant will be in addition to the resources that the Government would otherwise receive or budget for the Activities.

(iii) The Government will not reduce the normal and expected resources that it would otherwise receive or budget from sources other than MCC for the Activities.

(k) Use of Funds

(i) The Government will ensure that the Grant and any assets or services funded by the Grant, in whole or in part, will be used solely in furtherance of this Agreement and the Activities and in accordance with any other agreement to which the Government is, or any Permitted Designee becomes, a party in connection with this Agreement or the implementation of the Activities (each, a “**Supplemental Agreement**”).

(ii) The Government also will ensure that no Grant proceeds will be used for any purpose that would violate United States law or policy, as specified in this Agreement or as further notified to the Government in writing by MCC or by posting at www.mcc.gov (the “**MCC Website**”), including but not limited to the following purposes:

(A) for assistance to, or training of, the military, police, militia, national guard or other quasi-military organization or unit;

(B) for any activity that is likely to cause a substantial loss of United States jobs or a substantial displacement of United States production;

(C) to undertake, fund or otherwise support any activity that is likely to cause a significant environmental, health, or safety hazard as further described in

MCC's environmental guidelines provided by MCC or posted on the MCC Website ("**MCC Environmental Guidelines**"); or

(D) to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations or to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning.

(l) Taxes.

(i) Unless the Parties otherwise specifically agree in writing, the Government will ensure that each of the following is free from the payment of any existing or future taxes, duties, levies, contributions or other similar charges ("**Taxes**") of or in Burkina Faso (including any such Taxes of a national, regional, local or other governmental or taxing authority): (A) the Grant and its proceeds, (B) interest or earnings on the Grant proceeds, (C) Disbursements, (D) each Activity and the goods, works, services, technology or other assets related thereto, (E) the Service Providers and any other persons and entities that provide goods, works, services, technology and assets related to any Activity, and (F) income, profits and payments with respect thereto. The foregoing includes, among other things, value added and other transfer taxes (including exemption therefrom with credit), property and ad valorem taxes, import and export duties and taxes (including exemptions for goods imported and re-exported for personal use), withholding taxes and payroll taxes.

(ii) Before any Disbursement, the Government and MCC may enter into one or more agreements setting forth in detail the mechanisms for implementing this Section 3.2(l), including (A) any waivers of Tax filing and compliance requirements and (B) any agreement on exceptions to Subsection (i) above for (1) Taxes on and contributions for certain individuals who are nationals or permanent residents of Burkina Faso, (2) Taxes (other than transfer Taxes and import and export Taxes) on certain entities organized under the laws of Burkina Faso and (3) fees or charges for services that are generally applicable in Burkina Faso, reasonable in amount and imposed on a non-discriminatory basis.

(iii) If a Tax has been levied and paid contrary to the requirements of this Section 3.2(l) or any agreement entered into pursuant to this Section 3.2(l), whether inadvertently, due to the impracticality of implementation of this Section 3.2(l) with respect to certain types or amounts of Taxes, or otherwise, the Government will refund promptly to an account designated by MCC the amount of such Tax in U.S. Dollars or the currency of Burkina Faso within thirty (30) days (or such other period as may be agreed in writing by the Parties) after the Government is notified in writing of such Tax payment, whether by MCC or otherwise; *provided, however*, that the Government will apply national funds to satisfy its obligations under this Subsection (iii) and no Grant proceeds

or any other funds received from MCC (or assets acquired with Grant proceeds or with any such other funds) may be applied by the Government in satisfaction of its obligations under this paragraph.

(m) Data Sharing. The Government shall (i) provide, or obtain and provide from all relevant sources (whether private or otherwise), all data and information relevant to the Activities and the Proposed Compact requested by any Service Provider and (ii) make publicly available all data and datasets gathered under the Activities.

Section 3.3 Bilateral Agreement. All proceeds from the Grant will be considered United States Assistance under the Economic, Technical and Related Assistance Agreement by and between the United States of America and the Government, dated June 1, 1961, as amended from time to time (the “**Bilateral Agreement**”). If there are any conflicts or inconsistencies between any parts of this Agreement and the Bilateral Agreement, as either may be amended from time to time, the provisions of this Agreement will prevail over those of the Bilateral Agreement.

ARTICLE IV

DISBURSEMENT OF GRANT PROCEEDS

Section 4.1 Disbursement Process.

(a) Disbursement Requests. The Government may request disbursements of the Grant (each, a “**Disbursement**”) by submitting a written request to MCC substantially in the form of the “Disbursement Request” provided by MCC or posted on the MCC Website (each, a “**Disbursement Request**”), duly completed, not later than 20 days (or such other period of time as may be agreed by MCC) prior to the commencement of each Disbursement Period. Unless otherwise agreed by MCC, the Government may submit only one Disbursement Request for each quarter (such quarter, or any other period of time as agreed by MCC, the “**Disbursement Period**”). Each Disbursement Request will (i) set forth, among other things, the aggregate amount of Disbursements required by the Government during the relevant Disbursement Period and described in the 609(g) Detailed Financial Plan and (ii) be accompanied by the Periodic Reports applicable to the relevant Disbursement Period in accordance with Section 6.1.

(b) Approval of Disbursement Requests; Release of Proceeds.

(i) Upon receipt of a Disbursement Request, MCC will determine the appropriate aggregate amount of Disbursements permitted for the applicable Disbursement Period based on, among other things, (A) progress achieved under the 609(g) Implementation Plan, (B) the amount of funds required to complete the Activities described in the accompanying Periodic Reports during such Disbursement Period, and (C) the satisfaction, waiver or deferral of the conditions precedent applicable to the requested Disbursements.

(ii) MCC may, in its sole discretion, reject any Disbursement Request completely, or reject or reduce the amount of any Disbursement requested thereunder,

(A) as a result of any modification made to a Periodic Report or (B) if any condition precedent applicable to Disbursements for an Activity to be funded thereby has not been satisfied, waived or deferred.

(iii) Subject to MCC's approval of a Disbursement Request, the proceeds of the Disbursements approved thereunder may be transferred, at MCC's sole election, (A) directly to a Service Provider as payment for goods, works or services received by the Government, (B) to a Permitted Account in accordance with the Bank Agreement, or (C) directly to an employee of the accountable entity established by the Government to act as its Permitted Designee under this Agreement and any subsequent Proposed Compact concluded between the Parties. Payments to Service Providers and other expenditures of Grant proceeds during the relevant Disbursement Period (including amounts transferred directly to a Service Provider or employee of the accountable entity) will be made only as authorized by the Government and certified by the Fiscal Agent, or as otherwise agreed by the Parties, in accordance with the approved 609(g) Detailed Financial Plan and the standards and procedures set forth in the Fiscal Accountability Plan.

(iv) Except as MCC may otherwise agree, any Disbursement, or financial commitment involving Grant proceeds may be made, and a Disbursement Request may be submitted, only if the related expense is provided for in the 609(g) Detailed Financial Plan and sufficient uncommitted funds exist in the 609(g) Detailed Financial Plan for the relevant Disbursement Period.

(c) Permitted Accounts.

(i) The Government will establish: (1) a bank account denominated in CFA Francs (the "**Local Account**") and (2) such other accounts, in such banks as MCC and the Government mutually agree in writing (such Local Account, and each such other account, a "**Permitted Account**"). Before any Grant proceeds are deposited into a Permitted Account, the Government will enter into a bank agreement, in form and substance satisfactory to MCC, with the financial institution approved by MCC to hold such Permitted Account (each a "**Bank**"), which sets forth the signatory authority, access rights, anti-money laundering and anti-terrorist financing provisions, and other terms related to such Permitted Account (each a "**Bank Agreement**"). The terms and operation of the Permitted Accounts will be set forth in the Fiscal Accountability Plan and the Bank Agreement.

(ii) Unless otherwise authorized by MCC, no other funds will be commingled in a Permitted Account other than the Grant proceeds and accrued interest thereon. MCC will have the right, among other things, to view any Permitted Account statements and activity directly on-line, and where such viewing is not feasible, the Government will provide copies of such statements to MCC upon its request.

(iii) The Government will ensure that Grant proceeds held in a Permitted Account accrue interest or other earnings in accordance with the applicable Bank

Agreement. On a quarterly basis and upon the termination or expiration of this Agreement or the relevant Bank Agreement, the Government will ensure the transfer of all interest accrued on amounts held in a Permitted Account to MCC.

(iv) The Government will provide in writing to MCC the account name, designated account number and wire transfer instructions for transfers to Permitted Accounts (the “***Account and Wire Transfer Information***”) no later than 10 business days prior to the initial Disbursement to such Permitted Account. In the event that any Permitted Account or the related Account and Wire Transfer Information changes during the term of this Agreement, the Government will provide to MCC the new information as soon as practicable, but in no event later than 10 business days prior to the requested date for the next Disbursement.

(v) The Government will ensure that all Grant proceeds that are held in any Permitted Account, other than the Local Account, will be denominated in the currency of the United States of America prior to release. To the extent that any amount of Grant proceeds held by a Bank in U.S. Dollars must be exchanged into the currency of Burkina Faso for any purpose, the Government will ensure that such exchange is consistent with the requirements of the Bank Agreement or as otherwise agreed in writing by the Parties.

Section 4.2 Conditions Precedent to the Initial Disbursement. MCC’s approval of the initial Disbursement Request will be subject to the satisfaction of each of the following conditions (except as such conditions may be waived or deferred by MCC in its sole discretion):

(a) Effectiveness. This Agreement must have become effective in accordance with Section 1.2;

(b) Evidence of Taxation Mechanism. Delivery by the Government to MCC of a copy of an executed tax implementation letter setting forth the detailed mechanisms for implementing Section 3.2(l) of this Agreement (the “***Tax Implementation Letter***”) and any decree, legislation, regulation or other instrument establishing or giving effect to Section 3.2(l), certified, in each case, as being in full force and effect by the Government;

(c) The Government Certificate. Delivery by the Government to MCC of a certificate of the Government, substantially in the form of the “609(g) Government Initial Disbursement Certificate” provided by MCC or posted on the MCC Website, together with the attachments thereto;

(d) Fiscal Agent Agreement. Delivery by the Government to MCC of a copy of the Fiscal Agent Agreement, duly executed and in full force and effect as of the date of the initial Disbursement Request;

(e) Procurement Agent Agreement. Delivery by the Government to MCC of a copy of the Procurement Agent Agreement, duly executed and in full force and effect as of the date of the initial Disbursement Request;

(f) Activity-Specific Conditions. Satisfaction of each of the conditions precedent for initial Disbursement set forth for each Activity in Annex I;

(g) Delivery to, and approval by, MCC of the 609(g) Detailed Financial Plan in accordance with Section 5.1(a); and

(h) Satisfaction of each of the conditions set forth in Section 4.3(a) through (g).

Section 4.3 Conditions Precedent to Each Disbursement. MCC's approval of each Disbursement Request submitted after the initial Disbursement Request shall be subject to the satisfaction of each of the following conditions (except as such conditions may be waived or deferred by MCC in its sole discretion):

(a) Delivery of a completed Disbursement Request, together with the Periodic Reports covering the related Disbursement Period;

(b) Prior to the Disbursement of any Grant proceeds to any Permitted Account, delivery by the Government to MCC of (i) evidence of the establishment of the Local Account, and any other Permitted Account agreed by the Parties, and (ii) a copy of each Bank Agreement, duly executed and in full force and effect as of the date of the Disbursement Request;

(c) Each of the Government's representations and warranties set forth in Section 3.1 are true and correct on and as of the date of such Disbursement Request and as though made on and as of such date;

(d) One and as of the date of such Disbursement Request, no material breach of any responsibility, covenant or obligation under this Agreement, the Bank Agreement, the Fiscal Agent Agreement, the Procurement Agent Agreement or any other Supplemental Agreement by the Government or its Permitted Designee has occurred and is continuing;

(e) With respect to each Activity, fulfilment to MCC's satisfaction of each of the conditions precedent to the Disbursements for such Activity set forth in Annex I;

(f) Delivery of a certificate of the Government, dated as of the date of such Disbursement Request, substantially in the form of the "609(g) Disbursement Certificate" provided by MCC or posted on the MCC Website; and

(g) Delivery of a certificate of the Fiscal Agent, substantially in the form of the "609(g) Fiscal Agent Disbursement Certificate" provided by MCC or posted on the MCC Website.

ARTICLE V

IMPLEMENTATION FRAMEWORK

Section 5.1 609(g) Implementation Plan. The framework for implementation for each of the Activities will be further elaborated in a set of documents, in form and substance approved by

MCC, consisting of (i) the 609(g) Detailed Financial Plan, (ii) one or more 609(g) Procurement Implementation Plans, and (iii) one or more Service Provider Contracts (each, an “**609(g) Implementation Plan Document**” and, collectively, the “**609(g) Implementation Plan**”). MCC may review the 609(g) Implementation Plan, or any portion thereof and, as necessary, request the Government to submit clarifications or adjustments.

(a) 609(g) Detailed Financial Plan. The 609(g) Grant Financial Plan reflects the estimated allocation of Grant proceeds among the Activities. Except as MCC otherwise agrees in writing, the Government or its Permitted Designee, as applicable, will develop, adopt and implement for each quarter for the upcoming year and on an annual basis for each year until the Grant proceeds are fully expended or this Agreement is terminated in accordance with its terms, a detailed financial plan (as approved by MCC) setting forth funding requirements for the each of the Activities (including administrative costs), broken down to the sub-activity level (or lower, where appropriate), and projected both on a commitment and cash requirement basis (as supplemented or otherwise modified from time to time, the “**609(g) Detailed Financial Plan**”).

(b) 609(g) Procurement Implementation Plan. The Government or its Permitted Designee, as applicable, will develop any applicable implementation plan for each procurement relating to the Activities identified in Annex I (each, a “**609(g) Procurement Implementation Plan**”), and submit such 609(g) Procurement Implementation Plan to MCC for approval before commencing the relevant procurement. Each 609(g) Procurement Implementation Plan shall identify, among others, the method of procurement for the goods, works or services to be procured. The Government or its Permitted Designee will ensure that all goods, works or services shall be procured using the procurement method as approved in each 609(g) Procurement Implementation Plan, and shall comply with the method of procurement outlined in such 609(g) Procurement Implementation Plan.

(c) Service Provider Contracts. The Government or its Permitted Designee, as applicable, will procure and manage the services of one or more service providers for each of the Activities described in Annex I (each a “**Service Provider**”). The Government or its Permitted Designee, as applicable, will enter into one or more contracts, in a form acceptable to MCC, with the Service Providers implementing the Activities (“**Service Provider Contracts**”).

Section 5.2 Procurement.

(a) MCC Program Procurement Guidelines. The Government or its Permitted Designee, as applicable, will comply with the “Program Procurement Guidelines” provided by MCC or posted on the MCC Website (the “**MCC Program Procurement Guidelines**”) in the procurement (including solicitation) of goods, works and services and the award and administration of contracts for each of the Activities; *provided, however*, that the provisions in the MCC Program Procurement Guidelines relating to the procurement plan and general procurement notice shall not apply to procurements under this Agreement.

(b) Procurement Agent. Except as MCC otherwise agrees, the Government or its Permitted Designee, as applicable, will engage the services of a procurement agent (the “**Procurement Agent**”) to carry out and/or certify specified procurement activities relating to the

Activities and in furtherance of the Proposed Compact. The roles and responsibilities of the Procurement Agent and the criteria for selection of the Procurement Agent will be as set forth in the MCC Program Procurement Guidelines. The Government or its Permitted Designee, as applicable, will enter into an agreement with the Procurement Agent, in form and substance acceptable to MCC, that sets forth the roles and responsibilities of the Procurement Agent with respect to the conduct, monitoring and review of procurements and other appropriate terms and conditions (the “**Procurement Agent Agreement**”).

Section 5.3 Fiscal Accountability.

(a) Fiscal Accountability Plan. Except as MCC otherwise agrees, the Government or its Permitted Designee as applicable, will develop, adopt and implement a manual (as approved by MCC) setting forth the principles, mechanisms and procedures (the “**Fiscal Accountability Plan**”) that will be used to ensure appropriate fiscal accountability for the use of the Grant proceeds, including the process to ensure that open, fair, and competitive procedures will be used in a transparent manner in the administration of grants or cooperative agreements and in the procurement of goods, works and services. The Fiscal Accountability Plan will also include, among other things, requirements with respect to: (i) budgeting, (ii) accounting, (iii) cash management, (iv) financial transactions (receipts and payments), (v) opening and managing permitted accounts, (vi) personnel and payroll, (vii) travel and vehicle use, (viii) asset and inventory control, (ix) audits (x) reporting and (xi) such other matters as agreed by the Parties.

(b) Fiscal Agent. Except as MCC otherwise agrees, the Government or its Permitted Designee, as applicable, will engage a fiscal agent (the “**Fiscal Agent**”), who will be responsible for, among other things, (i) ensuring and certifying that Disbursements are properly authorized and documented in accordance with established control procedures set forth in the Fiscal Agent Agreement and Bank Agreement(s), (ii) instructing a Bank to make Disbursements from a Permitted Account, following applicable certification by the Fiscal Agent, (iii) providing applicable certifications for Disbursement Requests, (iv) maintaining proper accounting of all Grant proceeds financial transactions, and (v) producing reports on Disbursements in accordance with established procedures set forth in the Fiscal Accountability Plan. The Government or its Permitted Designee, as applicable, will enter into an agreement with the Fiscal Agent, in form and substance acceptable to MCC, which sets forth the roles and responsibilities of the Fiscal Agent and other appropriate terms and conditions (the “**Fiscal Agent Agreement**”).

ARTICLE VI

REPORTS; RECORDS AND AUDITS

Section 6.1 Reports.

(a) Unless MCC agrees otherwise in writing, the Government or its Permitted Designee, as applicable, will provide to MCC on a quarterly basis the periodic reports (each, a “**Periodic Report**”) required by the reporting guidelines provided by MCC or posted on the MCC Website (the “**MCC Reporting Guidelines**”). Such Periodic Reports will be prepared in

accordance with the MCC Reporting Guidelines and delivered in form and substance satisfactory to MCC and subject to MCC approval.

(b) The Government or its Permitted Designee, as applicable, will provide each of the reports or other documents relating to the Activities. Such reports and documents will be timely delivered and in form and substance satisfactory to MCC and subject to MCC approval.

(c) In addition to the Periodic Reports, the Government or its Permitted Designee, as applicable, will provide to MCC within 30 days of a written request by MCC, or as otherwise agreed by MCC and the Government or such Permitted Designee, as applicable, in writing, such other reports or documents as MCC may request from time to time as related to any component of the 609(g) Implementation Plan, the Fiscal Accountability Plan or in connection with any Activity or Disbursement.

Section 6.2 Providers. Unless the Parties agree otherwise in writing, (a) a “**Provider**” is (i) any entity of the Government that receives or uses Grant proceeds or any other asset purchased with proceeds of the Grant in carrying out activities in furtherance of this Agreement or (ii) any third party that receives at least US\$50,000 in the aggregate of Grant proceeds (other than as salary or compensation as an employee of an entity of the Government) during the term of this Agreement; and (b) a “**Covered Provider**” is (i) a non-United States Provider that receives (other than pursuant to a direct contract or agreement with MCC) US\$300,000 or more of Grant proceeds in any Government fiscal year or any other non-United States person or entity that receives, directly or indirectly, US\$300,000 or more of Grant proceeds from any Provider in such fiscal year, or (ii) any United States Provider that receives (other than pursuant to a direct contract or agreement with MCC) US\$500,000 or more of Grant proceeds in any Government fiscal year or any other United States person or entity that receives, directly or indirectly, US\$500,000 or more of Grant proceeds from any Provider in such fiscal year.

Section 6.3 Government Books and Records. The Government will maintain, and will use its best efforts to ensure that all Permitted Designees and Covered Providers maintain, accounting books, records, documents and other evidence relating to this Agreement adequate to show to MCC’s satisfaction the use of all proceeds of the Grant (collectively, the “**Records**”). Records must be maintained for at least five (5) years after the end of the term of this Agreement or for such longer period, if any, required to resolve any litigation, claims or audit findings or any statutory requirements. The Government will furnish or cause to be furnished to MCC upon its request all such Records.

Section 6.4 Accounting. The Government will maintain, and will use its best efforts to ensure that all Permitted Designees and Covered Providers maintain, Records in accordance with generally accepted accounting principles prevailing in the United States, or at the Government’s option and with MCC’s prior written approval, other accounting principles, such as those (i) prescribed by the International Accounting Standards Committee (an affiliate of the International Federation of Accountants) or (ii) then prevailing in Burkina Faso.

Section 6.5 Access; Audits. The Government will at all reasonable times afford, or cause to be afforded, authorized representatives of MCC, the Inspector General of the United States

Agency for International Development (the “*Inspector General*”), the United States Government Accountability Office, any auditor responsible for an audit contemplated herein or otherwise conducted in furtherance of this Agreement and any agents or representatives engaged by MCC the opportunity to audit, review, evaluate or inspect facilities and activities, and any Records relating thereto, funded in whole or in part (directly or indirectly) by MCC, and will use its best efforts to ensure access by MCC, the Inspector General, the United States Government Accountability Office or relevant auditor, reviewer or evaluator or their respective representatives or agents to all relevant directors, officers, employees, affiliates, contractors, representatives and agents of the Government or any Provider. The Government will make provision for such audit, review, assessment, evaluation or inspection in each contract with a Provider. Any audit conducted in connection with this Agreement or any transaction contemplated hereby shall be prepared in accordance with the “Guidelines for Financial Audits” provided by MCC or posted on the MCC Website (the “*MCC Audit Guidelines*”).

ARTICLE VII

TERM; TERMINATION AND SUSPENSION OF THE GRANT

Section 7.1 Term. Unless otherwise agreed in writing between the Parties, whether or not the entire amount of the Grant has been disbursed and fully expended, this Agreement will terminate on the earlier of (a) the date on which all of the Activities have been fully performed and final payment has been made with respect to such performance in accordance with this Agreement or (b) the date on which either Party terminates this Agreement in accordance with Section 7.2.

Section 7.2 Termination and Suspension.

(a) Either Party may terminate this Agreement in its entirety by giving the other Party thirty (30) days’ written notice; *provided, however*, that the Government may not terminate this Agreement with respect to any activity for which a Disbursement has already been issued or approved by MCC.

(b) MCC may, immediately, upon written notice to the Government, suspend or terminate this Agreement or the Grant, in whole or in part, and any obligation related thereto, if MCC determines that any circumstance identified by MCC as a basis for suspension or termination (whether in writing to the Government or by posting on the MCC Website) has occurred, which circumstances include but are not limited to the following:

(i) the Government fails to comply with its obligations under this Agreement or any other agreement or arrangement entered into by the Government in connection with this Agreement or the Activities;

(ii) an event has occurred that MCC determines makes it improbable that the Activities can be performed, that the Government will be able to perform its obligations under this Agreement or that the Proposed Compact will be entered into;

(iii) a use of the Grant or continued implementation of this Agreement would violate applicable law or United States Government policy, whether now or hereafter in effect;

(iv) the Government or any other person or entity receiving Grant proceeds or using assets acquired in whole or in part with Grant proceeds is engaged in activities that are contrary to the national security interests of the United States of America;

(v) an act has been committed or an omission or an event has occurred that would render Burkina Faso ineligible to receive United States economic assistance under Part I of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2151 *et seq.*), by reason of the application of any provision of the Foreign Assistance Act of 1961 or any other provision of law;

(vi) the Government has engaged in a pattern of actions inconsistent with the criteria used to determine the eligibility of Burkina Faso for assistance under the Act; and

(vii) a person or entity receiving Grant proceeds or using assets acquired in whole or in part with Grant proceeds is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking.

(c) All Disbursements will cease upon expiration, suspension, or termination of this Agreement; *provided, however*, Grant proceeds may be used, in compliance with this Agreement, to pay for (i) reasonable expenditures for goods, works or services that are properly incurred under or in furtherance of this Agreement before expiration, suspension or termination of this Agreement, and (ii) reasonable expenditures (including administrative expenses) properly incurred in connection with the winding up of the Activities within 120 days after the expiration, suspension or termination of this Agreement.

(d) Subject to Subsection (c) of this Section 7.2, upon the expiration, suspension or termination of this Agreement, (i) any amounts of the Grant not disbursed by MCC to the Government will be automatically released from any obligation in connection with this Agreement without any action from the Government or MCC and (ii) any amounts of the Grant disbursed by MCC but not expended under Section 4.1(b) before such expiration, suspension or termination of this Agreement, plus accrued interest thereon will be returned to MCC within thirty (30) days after the Government receives MCC's request for such return, and the Government will ensure that such amount will be returned promptly to such account(s) designated by MCC.

Section 7.3 Reinstatement. MCC may reinstate any suspended or terminated portion of the Grant under this Agreement if MCC determines that the Government or other relevant person or entity has committed to correct each condition for which the Grant was suspended or terminated.

Section 7.4 Refunds.

(a) If any Grant proceeds, any interest or earnings thereon, or any asset acquired in whole or in part with Grant proceeds is used for any purpose in violation of the terms of this

Agreement, then MCC may require the Government to repay to MCC in U.S. Dollars the value of the misused portion of the Grant, interest, earnings, or asset, plus interest within thirty (30) days after the Government's receipt of MCC's request for repayment. The Government must use national funds and shall not use Grant proceeds or any other funds received from MCC (assets acquired with Grant proceeds or with any such other funds) to make such payment.

(b) Notwithstanding any other provision in this Agreement or any other agreement to the contrary, MCC's right under this Section 7.4 for a refund will continue during the term of this Agreement and for a period of (i) five (5) years thereafter or (ii) one (1) year after MCC receives actual knowledge of such violation, whichever is later.

ARTICLE VIII

GENERAL

Section 8.1 Governing Law; Consultations.

(a) This Agreement will be governed by and construed in accordance with the laws of the State of New York.

(b) Any dispute with regard to this Agreement shall be resolved between the Parties through consultations.

(c) In matters arising under or relating to this Agreement, neither Party will be deemed to have submitted to the jurisdiction of the courts of or in the State of New York or any other court or judicial body.

Section 8.2 Representative. Unless otherwise agreed in writing by the Parties, for all purposes relevant to this Agreement, the Government will be represented by the individual holding the position of, or acting as, Minister of Economy and Finance, or such other minister of the Government from time to time principally in charge of finance, (the "**Government's Principal Representative**") and MCC will be represented by the individual holding the position of, or acting as, the Vice President for Compact Development (the "**MCC Principal Representative**") and together with the Government's Principal Representative, the "**Principal Representatives**" and each, a "**Principal Representative**"). Each of the Principal Representatives may, by written notice to the other Party, designate one or more additional representatives (each an "**Additional Representative**") for all purposes other than signing amendments to this Agreement. The names of the Principal Representatives and any Additional Representative of each Party will be provided, together with specimen signatures, to the other Party, and the Parties may accept as duly authorized any instrument signed by such Principal Representative or Additional Representative relating to the implementation of this Agreement, until receipt of written notice of revocation of their authority. A Party may change its Principal Representative to a new representative of equivalent or higher rank upon written notice to the other Party, which notice will include the specimen signature of the new Principal Representative.

Section 8.3 Communications. Unless otherwise agreed by the Parties in writing, any notice, request, report, certification, document or other communication required, permitted, or submitted by either Party to the other under this Agreement will be (a) in writing, (b) in English and (c) deemed duly given: (i) upon personal delivery to the Party to be notified; (ii) when sent by confirmed facsimile or electronic mail, if sent during normal business hours of the recipient Party, if not, then on the next business day; or (iii) upon the date of receipt by the Party that is the intended recipient when sent by the other Party by internationally recognized express mail carrier at the address indicated below, or at such other address as such Party may designate:

To MCC:

Millennium Challenge Corporation

Attention: Vice President for Compact Development, with a copy to the Vice President and

General Counsel

875 Fifteenth Street, N.W.

Washington, DC 20005

United States of America

Tel: 1-202-521-3600

Fax: 1-202-521-3700

E-mail: VPDevelopment@mcc.gov (Vice President for Compact Development);
VPGeneralCounsel@mcc.gov (Vice President and General Counsel)

To the Government of Burkina Faso:

Ministère de l'Economie et des Finances

Avenue du Général Bila Jean Gérard ZAGRE

01 BP : 7012 Ouagadougou 01

Burkina Faso

Phone : +226 50 32 42 11

Fax : +226 50 31 27 15

With a copy to the MCA-Burkina Faso

Rue Wer Zom 29.46, Porte 303

01 BP: 6443 Ouagadougou 01

Phone: +226 50 36 17 36

Fax: +226 50 36 17 14

Email: mcaburkina@yahoo.fr

Section 8.4 Counterparts; Signatures. Except as the Parties may otherwise agree in writing from time to time, this Agreement and any related notice, certificate, instrument, agreement or other document may be executed using counterpart signatures and, each when so executed and delivered, will be an original instrument, but such counterparts together will constitute a single agreement. A signature delivered by facsimile or electronic mail in accordance with Section 8.3 will be deemed an original signature, and the Parties hereby waive any objection to such signature or to the validity of the underlying related notice, certificate, instrument, agreement or other document on the basis of the signature's legal effect, validity or enforceability solely

because it is in facsimile or electronic form. Such signature will be accepted by the receiving Party as an original signature and will be binding on the Party delivering such signature.

Section 8.5 Relationship Between the Parties. Nothing in this Agreement will be construed to constitute or create a partnership, agency relationship, joint venture or equity or similar interest between the Parties. Neither Party has the power or authority to act on behalf of the other Party, except as expressly authorized by the other Party in writing.

Section 8.6 MCC Status. MCC is a United States Government corporation acting on behalf of the United States Government in the implementation of this Agreement. As such, MCC has no liability under this Agreement, is immune from any action or proceeding arising under or relating to this Agreement and the Government hereby waives and releases all claims related to any such liability. In matters arising under or relating to this Agreement, MCC will not be subject to the jurisdiction of the courts or any other body of Burkina Faso.

Section 8.7 Publicity; Information and Marking. The Government will give appropriate publicity to this Agreement as a program to which the United States of America, through MCC, has contributed, including by posting this Agreement, in English, as MCC may request, on an agreed website, identifying the Grant activity sites and marking assets acquired with the Grant, all in accordance with the MCC Standards for Corporate Marking and Branding, of which MCC has informed the Government in writing or by posting on the MCC Website; *provided, however*, that any press release or announcement regarding MCC or the fact that MCC is making the Grant or any other publicity materials referencing MCC will be subject to MCC's prior written approval. MCC may post this Agreement on the MCC Website. MCC may freely use any information it receives in any report or document provided to it.

Section 8.8 No Assurance of Future Assistance. Nothing contained in this Agreement will be construed as creating an obligation on the part of MCC to provide any further funding or assistance, other than the Grant, in relation to the Proposal, the Proposed Compact or any other project or program in Burkina Faso.

Section 8.9 Amendment. This Agreement may be amended or modified by written agreement of the Parties.

Section 8.10 Severability. If one or more provisions of this Agreement is held to be unenforceable under any applicable law, such provision(s) will be excluded from this Agreement and the balance of this Agreement will be interpreted as if such provision(s) were so excluded and will be enforceable in accordance with its terms.

Section 8.11 Non-Waiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with this Agreement will be construed as a waiver of such right or remedy.

Section 8.12 Survival. The Government's obligations under Sections 3.1, 3.2, 7.2, 7.3, 7.4, 8.1 and 8.6, this Section 8.12 and Article VI survive the expiration, suspension or termination of this Agreement.

Section 8.13 Language. This Agreement is prepared in English and in the event of any ambiguity or conflict between this official English version and any other version translated into any language for the convenience of the Parties, this official English version will prevail.

Section 8.14 Definitions; Interpretation. Any reference to the term “including” in this Agreement will be deemed to mean “including, without limitation,” except as expressly provided otherwise. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) the words “herein”, “hereof” and “hereunder”, and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (c) all references herein to Articles, Sections, Exhibits, Annexes and Schedules will be construed to refer to Articles and Sections of, and Exhibits, Annexes and Schedules to, this Agreement. The Section and Subsection headings used in this Agreement are included for convenience only and are not to be considered in construing or interpreting this Agreement.

Section 8.15 References to MCC Website. Each reference in this Agreement, or any other agreement entered into in connection with this Agreement, to a document or information available on, or notified by posting on, the MCC Website will be deemed a reference to such document or information as updated or substituted on the MCC Website by MCC from time to time, and will be deemed to be incorporated by reference into, and to constitute an integral part of this Agreement or such other agreement entered into in connection with this Agreement.

Section 8.16 References to Laws, Regulations, Policies and Guidelines. Each definition of or reference to in this Agreement, or any other agreement entered into in connection with this Agreement, a law, regulation, policy, guidelines or similar document, unless otherwise expressly set forth herein, will be construed as a reference to such law, regulation, policy, guidelines or similar document as it may, from time to time, be amended, revised, replaced or extended and will include any law, regulation, policy, guidelines or similar document issued under or otherwise applicable or related to such law, regulation, policy, guidelines or similar document.

Section 8.17 Grant Reference. In all notices, requests, reports or correspondence in connection with Grant funding, the following number should appear on any such document as the grant reference: GR07BFA08001.

[SIGNATURE PAGE FOLLOWS ON NEXT PAGE]

IN WITNESS WHEREOF, MCC and the Government, each acting through its duly authorized representative, have caused this Agreement to be executed in their names and delivered as of the date first written above.

MILLENNIUM CHALLENGE
CORPORATION

THE GOVERNMENT OF BURKINA FASO

By: _____ / s /

Name: John Hewko

Title: Vice President for Compact
Development

By: _____ / s /

Name: Jean-Baptiste Compaore

Title: Minister of Economy and Finance

EXHIBIT A

INDEX OF DEFINITIONS

The following compendium of capitalized terms that are used herein is provided for the convenience of the reader. To the extent that there is a conflict or inconsistency between the definitions in this Exhibit A and the definitions elsewhere in the text of this Agreement, the definition elsewhere in this Agreement shall prevail over the definition in this Exhibit A.

609(g) Detailed Financial Plan has the meaning given to that term in Section 5.1(a).

609(g) Grant Financial Plan has the meaning given to that term in Section 2.1(b).

609(g) Implementation Plan has the meaning given to that term in Section 5.1.

609(g) Implementation Plan Document has the meaning given to that term in Section 5.1.

609(g) Procurement Implementation Plan has the meaning given to that term in Section 5.1(b).

Account and Wire Transfer Information has the meaning given to that term in Section 4.1(c)(iv).

Act has the meaning given to that term in the Recitals to this Agreement.

Activity has the meaning given to that term in Section 1.1(b).

Additional Representative has the meaning given to that term in Section 8.2.

Agent Mobilization Activity has the meaning given to that term in Section 1.1(b)(ii).

Agreement means this Agreement.

Bank has the meaning given to that term in Section 4.1(c)(i).

Bank Agreement has the meaning given to that term in Section 4.1(c)(i).

Bilateral Agreement has the meaning given to that term in Section 3.3.

CFA Franc means the lawful currency of Burkina Faso from time to time.

Covered Provider has the meaning given to that term in Section 6.2.

Disbursement has the meaning given to that term in Section 4.1(a).

Disbursement Period has the meaning given to that term in Section 4.1(a).

Disbursement Request has the meaning given to that term in Section 4.1(a).

Effective Date has the meaning given to that term in Section 1.2.

Fiscal Accountability Plan has the meaning given to that term in Section 5.3(a).

Fiscal Agent has the meaning given to that term in Section 5.3(b).

Fiscal Agent Agreement has the meaning given to that term in Section 5.3(b).

Government has the meaning given to that term in the Preamble to this Agreement.

Government's Principal Representative has the meaning given to that term in Section 8.2.

Grant has the meaning given to that term in Section 2.1(a).

Inspector General has the meaning given to that term in Section 6.5.

Land Tenure Project Activity has the meaning given to that term in Section 1.1(b)(iii).

Lien has the meaning given to that term in Section 3.2(d).

Local Account has the meaning given to that term in Section 4.1(c)(i).

MCA has the meaning given to that term in the Recitals to this Agreement.

MCA-Burkina Faso has the meaning given to that term in the Recitals to this Agreement.

MCC has the meaning given to that term in the Preamble to this Agreement.

MCC Audit Guidelines has the meaning given to that term in Section 6.5.

MCC Environmental Guidelines has the meaning given to that term in Section 3.2(k)(ii)(C).

MCC Indemnified Party has the meaning given to that term in Section 3.2(h).

MCC Principal Representative has the meaning given to that term in Section 8.2.

MCC Program Procurement Guidelines has the meaning given to that term in Section 5.2(a).

MCC Reporting Guidelines has the meaning given to that term in Section 6.1(a).

MCC Website has the meaning given to that term in Section 3.2(k)(ii).

Monitoring and Evaluation Activity has the meaning given to that term in Section 1.1(b)(v).

Party has the meaning given to that term in the Preamble to this Agreement.

Periodic Report has the meaning given to that term in Section 6.1(a).

Permitted Account has the meaning given to that term in Section 4.1(c)(i).

Permitted Designee has the meaning given to that term in Section 3.2(b).

Principal Representative has the meaning given to that term in Section 8.2.

Procurement Agent has the meaning given to that term in Section 5.2(b).

Procurement Agent Agreement has the meaning given to that term in Section 5.2(b).

Proposal has the meaning given to that term in the Recitals to this Agreement.

Proposed Compact has the meaning given to that term in the Recitals to this Agreement.

Provider has the meaning given to that term in Section 6.2.

Records has the meaning given to that term in Section 6.3.

Recruiting Activity has the meaning given to that term in Section 1.1(b)(i).

Road Project Activity has the meaning given to that term in Section 1.1(b)(iv).

Service Provider has the meaning given to that term in Section 5.1(c).

Service Provider Contracts has the meaning given to that term in Section 5.1(c).

Supplemental Agreement has the meaning given to that term in Section 3.2(k)(i).

Tax Implementation Letter has the meaning given to that term in Section 4.2(b).

Taxes has the meaning given to that term in Section 3.2(l).

U.S. Dollars or *US \$* means the lawful currency of the United States of America from time to time.

ANNEX I

DESCRIPTION OF THE ASSISTANCE

Unless the Parties agree otherwise in writing, the assistance provided hereunder will be utilized by the Government to support the following Activities.

MCA-Burkina Start-up Activity. Administrative activities, including start-up costs, recruitment and compensation of staff and administrative support expenses relating to the establishment of the accountable entity, MCA-Burkina (or a mutually acceptable Permitted Designee). Prior to the Disbursement of Grant proceeds for staff salaries, the Government or its Permitted Designee shall deliver executed employment agreements for such staff members.

Agent Mobilization Activity. Fiscal and procurement administration activities, including engaging, through a competitive selection process, a fiscal agent and procurement agent, and mobilization of the agents to carry out preparatory works for the implementation of the Activities described herein and the Proposed Compact.

Land Tenure Project Activity. Securing stakeholder and expert participation in the preparation of the new land law, regulations and administrative decrees expected to be adopted by the National Assembly of Burkina Faso in mid-2008. Grant proceeds will pay for workshops and legal drafting assistance to ensure that the legal package (i) responds to the real needs of beneficiaries; (ii) includes appropriate and sufficient content to meet MCC requirements for project success; and (iii) addresses practical issues and local perceptions raised by stakeholders. The design of a communication strategy to disseminate the new legal package will also be financed, supporting the effective implementation of the law and its regulations. Grant proceeds will also be utilized to finalize the design of a cross-activity training program.

Road Project Activity. Preparation of final designs, specifications, cost estimates as well as environmental and social assessment work, including resettlement policy framework for the selected and agreed road segments to be funded under the Proposed Compact. The Service Providers will build upon the feasibility and preliminary design studies already financed by the Government, and upgrade the design documents to ensure that they are in full compliance with international standards and to minimize construction risks.

Monitoring and Evaluation Activity. Collection of baseline data for monitoring and evaluation purposes. Following further project definition and assessment of existing data, MCC will assist the Government in determining whether any new data collection is required.

ANNEX II

609(g) GRANT FINANCIAL PLAN

ACTIVITIES	
1. ACCOUNTABLE ENTITY ADMINISTRATIVE COSTS	
Recruitment and salaries for permanent staff	\$537,000
Administrative expenses directly related to permanent staff	\$223,000
2. FISCAL AND PROCUREMENT AGENT MOBILIZATION	
Year 1 Fiscal and Procurement Agent Fees	\$2,500,000
3. ROADS PROJECT PREPARATION	
Final roads studies/specifications and environmental and social/resettlement work	\$5,100,000
4. LAND TENURE PROJECT PREPARATION	
Project preparation/consultation activities	\$570,000
5. MONITORING AND EVALUATION	
Baseline data collection	\$500,000
TOTAL ESTIMATED MCC CONTRIBUTION	\$9,430,000